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COMPREHENSIVE ASSESSMENT OF THE UNDP 2001 CHANGE PROCESS

I. BACKGROUND AND INTRODUCTION

1. In the progress report on the implementation of change management submitted to the Executive Board at its first regular session 1999 (DP/1999/CRP.2), UNDP committed itself to undertaking a full assessment of the change process in the second half of 1999. The present report contains the results of that assessment, which took place over a six-week period between September and October 1999.[1] It focused on six main areas:

(a) The extent to which the UNDP 2001 implementation plan has been carried out, including an assessment of the mechanisms and approaches established for implementation of 2001 decisions;

(b) The effectiveness of the mechanisms UNDP instituted to monitor the 2001 process;

(c) An assessment on the use of non-core resources made available for change initiatives and their effectiveness;

(d) The extent to which programming in the period 1997-1999 has conformed to the guiding principles adopted by the Executive Board in its decision 98/1 and the ways in which programme quality has improved at the national, regional and global levels;

(e) The cost benefits that have accrued to the organization through the change process in terms of efficiency, cost-savings, speed of responses and organizational agility;

(f) The extent to which UNDP has become a learning organization.

2. The assessment team consisted of the team leader; a management consultant; a programme consultant; and an organizational learning consultant. In addition to intensive consultations with UNDP staff, the team held discussions with the Transition Team and took into consideration the results of the client survey and the global staff survey.

3. The impetus and need for comprehensive change came from the evolving scenario of the post-cold war period and in particular from the shift from multilateral to bilateral assistance, the onset of globalization, the mushrooming of crises around the world and the overall decline in Official Development Assistance (ODA), which signalled the end of providing assistance on the basis of entitlement.

4. The change management process built on Executive Board decisions through which the Board adopted sustainable human development (SHD) as the guiding principle of UNDP (94/14, 95/22, 95/23). It was designed to release the entrepreneurial spirit in the organization through the establishment of a demand-driven, client-focused culture whose hallmarks are speed, quality and flexibility.

II. IMPLEMENTATION

5. The stakeholders' phase, launched in May 1996 following a memo from the Administrator, lasted until May 1997 and involved system-wide consultations at all levels. The Change Management Committee was established to provide direction and guidance to the process. In May 1997, the implementation plan for the 2001 change process was designed and approved by the Executive Board and implementation initiated through the line units with support from the Bureau for Planning and Resource Management (BPRM) and the Operations Support Group (OSG), both of which had been recently created.

6. The implementation plan identified six major areas of UNDP activity for change: support to country offices; organizational learning; re-engineering and restructuring; resource mobilization; accountability; and support to United Nations reform. The present report provides information on each of these areas.

A. Support to the country offices

7. The 2001 process has led to increased decentralization and delegation from headquarters to country offices in a number of crucial areas. On the programme side, there has been clear decentralization of programme approval and the ability to enter into new trust fund arrangements, leading to a 50 per cent reduction in reporting requirements. At the same time, new products have been designed to improve the speed of business processes and allow country offices to exploit opportunities better, namely: the new programming manual; the national execution guidelines; the private sector guidelines; and guidelines for execution by non-governmental organizations (NGOs). Country offices have also benefited from increased delegation with regard to a series of human resources business processes such as medical examinations, home leave, travel, education

grants, repatriation allowances, staff advances and the management of contracts for activities of limited duration (ALDs) and special service agreements (SSAs).

8. However, the positive effects of increased decentralization have been somewhat offset by the reduced level of resources and the emergence of restricted authorized budget levels.

9. Additional attention still needs to be paid to country offices in special development situations. It was a positive step to have the Emergency Response Division (ERD) report directly to the Administrator. Further efforts are now required to increase the speed, flexibility and resourcefulness of these country offices. At the headquarters level, effective coordination must be ensured between ERD and the regional bureaux.

10. The allocation of resources to the programme areas of focus, as mandated by the Executive Board, was sustained throughout the change management process. A combined analysis of core and non-core resources shows that 42 per cent of resources were channelled to governance; 34 per cent to poverty and sustainable livelihoods; 23 per cent to the environment; and 1 per cent to gender. At the same time, the large number of projects reveals limited growth in the use of the programme approach.

11. Increased decentralization has not decreased the distance between headquarters and the field. While issues such as the five-day response and the one-stop shop require immediate attention according to the client survey, a pressing issue is the 2001 target of deploying 25 per cent of headquarters staff to the field. While the target was set in an arbitrary fashion with no analysis of the implications, the fact remains that there has been a substantial increase in SSA and ALD contract holders at headquarters - from 45 in 1994 to 203 in 1999. A recent count shows that there are currently 109 project staff at headquarters funded by the United Nations Office for Project Services (UNOPS), most of whom are in the Bureau for Development Policy (BDP), at an estimated cost of $11 million per year.

12. The accountability framework and compliance requirements monitored by the Office for Audit and Performance Review (OAPR), OSG and the Evaluation Office is a positive move towards installing and sustaining a management monitoring mechanism to ensure that decentralization is not undermined. It will require system-wide commitment (see paras. 37 to 42) and will be less arbitrary than the system based on compacts entered into by operational units, introduced in 1998, which did not prove effective.

B. UNDP as a learning organization

13. All six subregional resource facilities (SURFs) envisioned in phase 1 are now operational, albeit in varying degrees. Baseline targets have been established for referrals, general and technical backstopping missions, networking and best practices. The Global Hub is establishing a database of success stories pertaining to UNDP and other United Nations agencies to be posted on the intranet while ten thematic networks are currently on line.

14. The SURFs face two major challenges: (a) to ensure an alignment between corporate and operational functions given that these are currently split between the Global Hub/BDP (with responsibility for strategic planning) and the regional bureaux (which retain operational responsibilities); (b) to organize SHD into thematic areas. The latter will require facilitators who are thematic specialists with a broad knowledge of development-related activities as well as of the needs and functions of country offices. While the SURFs are still in an initial phase, drawing mixed reactions, it is important to recognize the potential of this structure as a learning network for the entire organization.

1. Enabling staff to learn

15. The change management process has brought about numerous enhancements for the promotion of staff learning. UNDP has adopted a policy allowing 5 per cent of staff time to be used for learning. The Executive Committee has approved a framework for learning, which, when accompanied by the companion framework for action, affirms the intent to make UNDP a learning organization. A learning catalogue describing available learning resources has been published. Learning resources, including videos, self-study guides, audiotapes, CD-ROMs, books and licenses for on-line training for 1,000 staff members have been procured and made available. A learning managers network has been developed and pilot-tested on a group of country offices.

16. In addition to these learning enhancements, UNDP must establish a supportive learning environment that will lead to its becoming a true learning organization based on honesty, integrity and open and frank dialogue. According to the 1999 global staff survey, nearly six out of every ten staff at headquarters were of the opinion that their supervisors failed to encourage them to take advantage of available learning opportunities. Only half of staff at headquarters reported being actively encouraged to devote at least 5 per cent of their time to learning. The global staff survey also reveals a gap in trust between staff and management that must be bridged if a supportive environment for learning is to be successfully established. Only one out of three staff at headquarters responded favourably to the level of leadership and direction provided by UNDP management, with senior-level management receiving relatively low marks.

17. There is a clear need for the leadership to communicate more effectively with staff on the nature of UNDP business and the skills and competencies that the new UNDP will require. The global staff survey indicated that two out of every three staff members at headquarters do not have a clear understanding of UNDP organizational goals although they are clear about the goals of their respective units.

18. The transformation of the UNDP work processes from hierarchical delegation to a more horizontal inquiry-based dialogue remains a pivotal issue. While UNDP 2001 increasingly requires staff to demonstrate proficiency in a series of areas such as networking, systems thinking, causal analysis, social, economic and political analyses, strategic planning and communications, only modest resources have been allocated to these ends. Furthermore, training, when available, has been primarily of the classroom variety, with relatively little attention paid

to learning opportunities within the context of actual job performance. UNDP must take measures to ensure that all staff members have the skills and abilities to apply their knowledge productively, including access to information technologies. Otherwise, knowledge becomes an unfulfilled promise for UNDP.

19. Some staff members have developed individual learning plans as a means of attaining the skills needed in the new UNDP. The organization should provide further incentives for all staff members to set individual learning goals that will help to fulfil its vision and mandate. Some examples of how this can be done are given below.

2. Establishing core competencies

20. Through the establishment of a competency-based recruitment process, UNDP has promoted the need for staff members to develop individual learning plans. They have been encouraged to do so during the performance appraisal review/individual performance plan (PAR/IPP) process through formal or web-based facilities. Sets of competencies have been developed for resident representatives, deputy representatives and assistant resident representatives. A competency-based process was developed for pre-assessing candidates who wish to apply for vacant United Nations posts and an interview guide was designed for the recruitment of resident representatives.

21. These competencies fall into two distinct categories: (a) those that emphasize generic behavioural skills needed to manage any organization and (b) more substantive competencies, referred to as hard skills, needed for the individual job. The two categories must now be balanced so that more job-specific aspects are incorporated into competency statements, thus ensuring the right mix between behavioural skills and the knowledge and experience of substantive areas crucial to UNDP activities.

C. Re-engineering and restructuring

22. A number of initiatives have been introduced to improve business practices, increase organizational efficiency, and streamline procedures in order to allow headquarters to focus on strategic issues and oversight. Prominent among these were the establishment of BPRM, OSG and the Evaluation Office; streamlining of the Bureau for Financial and Administrative Services (BFAS); simplification of procedures in the Office for Human Resources (OHR); the reduction of reporting requirements from the country offices to headquarters; better synchronization of the budget and strategic priorities; implementation of the 1998/1999 separation programme; the 1996 and 1999 global staff surveys and the client survey; and significant improvements in information systems.

23. While BPRM has assumed the functions envisaged in UNDP 2001, there is a need to redress the increasing imbalance between corporate and operational functions by further developing and clarifying the role of OSG. This has been put in motion by the Associate Administrator in his memorandum of 12 April 1999, in which he outlined the role, structure and function of OSG.

24. The 1999 global staff survey indicates that, in general, the organizational restructuring has not simplified business processes and that the situation has actually worsened since 1996. Seventy-three per cent of the respondents at headquarters encountered problems at work because of poor routines and procedures, while 71 per cent also attribute problems to bureaucracy and to the proliferation of committees and units. The situation has also deteriorated in the country offices, with poor routines being cited as problematic 35 per cent of the time and procedures and bureaucracy 60 per cent of the time.

25. In reports on the change process, reference is often made to the need to simplify manuals, handbooks, guidelines, policies, and procedures. While this has been a welcome move, further streamlining of UNDP internal processes may eliminate the need for some manuals, policies, and procedures now in existence.

26. Noteworthy improvements have been made in information technology and management, including the global budget module, the transactions module, and overall systems harmonization. The Financial Information Management System (FIMS) is now operational in most country offices integrating the FIMS and the windows field-office accounting system (WINFOAS). Overall, 53.8 per cent of the 1999 client survey respondents considered the FIMS good or very good while 50.6 per cent of them were highly satisfied with WINFOAS. However, satisfaction with the training available for these systems was lower, with only 41.5 per cent rating it good or very good and 43.5 per cent dissatisfied.

27. The Integrated Management Information System (IMIS), which will be completed by the end of the year, integrates human resources, staff entitlements, finance/general ledger, and payroll components. A number of other analyses and reporting systems using integrated databases have been designed and are in various stages of user-validation. However, there continues to be some dissatisfaction with IMIS, which must be addressed.

28. While it is possible to conclude that there has been progress in reducing overhead costs during the last two biennial budget periods, mostly due to post reductions, a definitive evaluation of progress in this area will require a more detailed audit of non-programme-related expenditures.

29. Although the costs associated with UNDP 2001 are, in general, not difficult to identify, quantification of the benefits presents a greater challenge. In the first place, UNDP 2001 is still an ongoing process and it is premature to attempt an evaluation of the benefits of many of the initiatives undertaken. Second, many of the benefits arising from the UNDP 2001 process are quite difficult to quantify, for example, the potential benefits from the SURFs or the improved planning and reporting processes embodied in the multi-year funding framework/results-oriented annual reports (MYFF/ROARs). This kind of cost/benefit or post-appraisal exercise can be seen as a useful and integral part of organizational learning; it also requires time and resources and the development of appropriate methodologies.

D. Resource mobilization

30. UNDP overall income has grown steadily, reaching $2.5 billion in 1998, representing an increase of 192 per cent since 1980. Income from non-earmarked voluntary contributions to core resources has been in decline, from 90 per cent of total resources in 1980 to 30 per cent in 1998. Estimates of pledges to core resources for 1999 are in the range of $700 to $750 million. Meanwhile, non-core resources have grown to $1.8 billion (1998), the major portion from government cost-sharing in six Latin American countries (Argentina, Brazil, Colombia, Panama, Peru, Venezuela). As core resources have declined, the ratio of administrative to programme costs has become untenable in a number of countries.

31. In approving the budget estimates for the biennium 2000-2001 in its decision 99/15, the Executive Board made the optimistic assumption that the annual target of $1.1 billion for core would be met by "at least the last year of the period". The level of contributions received over recent years has not reflected such optimism.

32. Several countries have provided non-core resources as trust funds specifically for the implementation of different facets of UNDP 2001, namely: Canada, Finland, Japan, Norway, Sweden and the United Kingdom. These funds were particularly appreciated given the financial constraints on the organization at a time of change. The largest contributor has been Sweden, with a total of $8.6 million. Reports have been made available to the respective donors on project utilization/expenditure and on achievements and lessons learned. The role of the Swedish Institute for Opinion Research/Service Management Group (SIFO/SMG) in the 2001 activities was also audited, which provided valuable lessons for the future of change management.

33. Added emphasis has been placed on resource mobilization by the organization through the development of new instruments and mechanisms that better allow country offices to explore new possibilities for in-country donor relations, the private sector and civil society. Country offices have, however, expressed a high level of dissatisfaction with the support headquarters has given them for resource mobilization (43 per cent). Renewed collaboration should also be pursued with the Bretton Woods institutions, particularly in the areas of capacity-building for governance and poverty eradication.

34. The relationship of non-core to core resources is fundamental to the direction of UNDP, particularly at the present time. In the budgets for the 1998-1999 and 2000-2001 bienniums, the total support costs of core-funded programme expenditures is just under 30 per cent. With the inclusion of non-core funded expenditures, this changes to 19 per cent and 13 per cent, respectively. This means that UNDP, through its core capacity, is able to leverage non-core funding resulting in an overall cost-effective operation of its activities. While UNDP covers incremental costs relating to its non-core activities, there is no doubt that greater attention must be paid to the cross-subsidization of core resources by non-core resources, particularly in those countries that generate large, non-core holdings that are cost-shared by the Government. This approach could be flexibly applied and modified if situations and policies changed in those countries.

35. In its decision 99/1, the Executive Board endorsed the multi-year funding framework (MYFF) 2000-2003, consisting of a strategic results framework (SRF) and an integrated resource framework. This has created a clearer link between overall results and resources and shifted the emphasis from inputs to outcome analysis and measurement. Whether this will result in a regeneration of resources will depend upon political will.

36. The development of indicators to measure performance is a major contribution for improved planning and execution; it is, however, important to remember that many of the benchmarks and indicators are qualitative and will require further refinement and review. It is well advised that the Executive Board select a limited number of themes to be assessed until the preparation, reporting and analysis of the SRFs becomes routine. This may require more than four years.

E. Accountability

37. A major feature of the new accountability framework is the Control Self-Risk Assessment (CSRA) programme, which enables UNDP staff to identify the risks in their day-to-day work, as well as ways to manage those risks. It is already in use in a number of the Executive Board member countries. Over 30 facilitators have received training in CSRA and UNDP Asia is planning to launch the programme.

38. The new framework stresses the importance of individual and organizational responsibility, consistent with the values, mission and mandate of UNDP, and the need to develop skills and competencies through learning and training while exercising probity, prudence and transparency. Its successful implementation is therefore closely linked to a new ethical culture and system-wide commitment to it.

39. Compliance with financial rules and procedures continue to be paramount, with responsibility for outcomes and impact, as determined by SRFs, being an added feature. Although still in the development stage, the results-oriented annual reports (ROARs) have the potential of becoming an integral part of a viable framework for the future, one based on effective planning and execution and rooted in results-based management. The effectiveness of the ROARs depends on their being simple and straightforward and reporting on a small number of critical success factors that are relatively easy to assess.

40. From the outset, the concept of holistic oversight has been at the heart of UNDP 2001. From an audit perspective, however, compliance is still given preference over performance. According to the 1999 client survey, the country offices perceive that they are being held highly accountable for financial management and programme delivery (96.5 per cent and 90.8 per cent, respectively) while accountability for change management is still quite low (45.9 per cent). Accountability for programme results and human resource management are also seen as relatively high (84.9 per cent and 81.6 per cent, respectively). These figures are, however, lower than had been expected in view of the high delegation of authority and management responsibility given to the

country offices, and the importance of these two factors in the type of client-centred, learning organization that UNDP is striving to become.

41. The compact has the potential for setting objectives, assessing progress and improving the accountability of bureau directors and resident representatives. Responding in the client survey, 74.4 per cent of the resident representatives indicated that they felt highly accountable for its contents. Further, as reviews of action plans at the country level have not been carried out, only 36.9 per cent of survey respondents were satisfied with the feedback received from their regional bureaux and 33.7 per cent were highly satisfied with the commitment of their respective bureau to its compact.

42. As undertakings by senior managers to deliver development services, mobilize resources, manage programmes and human resources, and enhance cooperation with development partners (client countries, United Nations system, and donors) the compacts could serve better as an accountability tool if they were restricted to a few major areas of responsibility. This is particularly true at a time when UNDP needs to reconcile a new compliance framework with decentralization and client focus and will require, in a results-based culture, insightful leadership to ensure balance between flexibility and compliance.

F. UNDP support to United Nations reform

43. Within the spirit of the reform process spearheaded by the Secretary-General, UNDP has played a leading role in the effort to create a more coherent United Nations system. The assignment of the Administrator as Chairman of the United Nations Development Group and the continued stewardship by UNDP of the resident coordinator function through the United Nations Development Group Office (DGO) testifies to this. Meanwhile, according to the recent client survey, 73 per cent of country offices indicated that they would like to see the regional bureaux more involved in supporting the resident coordinator system.

44. The new resident coordinator competency assessment (RCCA) project has reviewed 72 candidates in three sessions held between November 1998 and June 1999. The opening up of the recruitment process for resident coordinator positions has also been designed to underscore and recognize the relevance of the position throughout the United Nations system and is a major accomplishment of the Inter-Agency Advisory Panel.

III. CONCLUSIONS

45. It is important to highlight the considerable professional effort and commitment that went into the design, consultations and launching of UNDP 2001 and to recognize the limitations of carrying out an assessment of this process before it has taken root. Moreover, the process has taken place during a time that has seen the departure of the former Administrator, who planned and led the change management process in partnership with the Executive Board, the arrival of the new Administrator and the work of the Transition Team in preparing the Business Plan 2000-2003. The conclusions presented below will address the extent to which the momentum for change can be sustained and improved,

particularly with regard to re-engineering and restructuring, organizational learning, culture and the evolving change process.

A. Re-engineering and restructuring

46. The impact of the change management process has been limited by the prevalence of restructuring over re-engineering. Re-engineering should have provided the context for organizational restructuring and determined the core competencies necessary to accomplish the organization's mission. Instead, there has been a great deal of tinkering with processes and procedures in an effort to improve efficiencies without questioning whether certain activities should be done at all. A more systematic approach is required for the optimization of the organization as a whole.

47. In general terms, an initial phase of process and/or activity re-engineering would have produced some early tangible and measurable results. These results would have better demonstrated the extent of senior management commitment to change and countered the organization's scepticism regarding the change process.

48. UNDP faces many constraints to change, arising from the intergovernmental nature of the business it performs, the multiple ownership of core processes within a common system and the cultural diversity of its human resource base. However, UNDP needs to make an effort to ascertain which constraints are real and not susceptible to change while avoiding the creation of artificial barriers to change. Otherwise, the organization may place itself in a situation where there is very little possibility of instituting real change.

49. The change management process has not fostered closer bonds between corporate spheres and operations. In fact, the traditional divide between corporate functions and operational activities may have grown wider. The critical role of BPRM is viewed by some in the organization as an indicator of more power to the corporate functions while the start up problems of OSG and the hollowed-out regional bureaux are seen as a symbol of the decline in operations. Clearly, there is an urgent need to redefine and reassess the headquarters structure to ensure a more closely knit structure.

50. Another aspect of the corporate/operations divide is the role of the Associate Administrator, the support of OSG and the decision-making functions of the Executive Committee and the Operations Group. The extended Executive Committee, although not a cabinet-like structure, is mandated to take decisions while the Operations Group, except in programme-approval functions, is essentially an information-sharing body. There is a continual need to streamline decision-making functions at the highest levels of the organization.

B. Organizational learning

51. In retrospect, it seems that in UNDP 2001 the challenges and commitment required for transforming UNDP into a learning organization were underestimated; what is required first and foremost is a culture supportive of learning. This

is yet to be achieved. The establishment and promotion of the Learning Resource Centre (LRC), the 5 per cent learning policy and the adoption of learning frameworks all are important achievements but they fall short of attaining critical mass.

52. The missing catalysts are focused and sustained leadership that promotes a work environment conducive to learning; meaningful incentives to make learning happen; and career rewards for results-based learning accomplishments. According to the results of the global staff survey, the change management process has made only small inroads into changing the management-by-control style. The predilection for more formal committee structures tends to inhibit consensus-building through informal cross-bureaux project teams. It will be possible to achieve a learning culture only by sharing a direct, dynamic and compelling vision of the place of UNDP in the next millennium. For that, UNDP will need to communicate its vision clearly - both internally and externally.

53. In the uncertain situation facing multilateralism and, therefore, UNDP, survival depends on the ability to find innovative solutions to the serious problems of dwindling resources, increasing competition, and more sophisticated client demands. Learning opportunities should be infused into every staff job throughout the organization and not confined to the programmatic purview of the LRC or OHR. For example, systems-learning laboratories, learning networks devoted to areas of thematic UNDP concern and innovative ways to harness the potential of the Internet and intranet for promoting SHD goals should become the norm. In this way, real value-added will be ensured for the work of UNDP; mere fascination with information technology will not advance the organization.

54. Knowledge management is not to be equated with organizational learning. Organizational learning takes place whenever knowledge is applied to the achievement of organizational objectives. For UNDP to become a learning organization requires more than a mountain of knowledge and a promise to provide 5 per cent staff time to be devoted to its assimilation. UNDP 2001 has resulted in attempts to simplify and reduce the massive amount of paper produced although those efforts seemed to have been largely autonomous, not conducted in the context of a top-down, organizationally inclusive re-engineering thrust.

55. Finally, learning must be all-pervasive, totally inclusive and sustained. In contrast to the change management process, total re-engineering should be the first order of business so as to provide a rationale for the identification of requisite staff competencies needed to perform identified core processes. While evidence of learning is visible in many areas (SHD, gender, human rights, global and national human development reports), there is currently no systematic means of assessing its overall organizational impact. UNDP should consider elevating the Learning Advisory Board so that it can play a central role in organizational learning under the chairmanship of the Associate Administrator, bringing together strategic organizational initiatives and resource commitments.

C. Culture and change

56. The idea of setting a finite date for the end of the change management process in December 1999 was somewhat unrealistic given that the process was

initiated only in 1997: the adage that change is constant applies equally to UNDP. Experience dictates that successful organizational change comes about through a total and continuous commitment with adequate resources to sustain the effort. The challenge for the organization is how to stay ahead in an ever-changing external environment.

57. In understanding the challenges faced by those who sought to engineer change in UNDP, it is crucial to recognize the deeply rooted, complacent culture of an organization based on entitlement that carried out a central coordinating and funding role within the United Nations system. Those are not the attributes of an organization that needs to stay ahead in a competitive market.

58. The participatory approach adopted in launching UNDP 2001 was impressive and has provided some valuable momentum. While the Administrator and the small team around him were dedicated to changing UNDP, they somehow did not succeed in building in-house leadership that was strong, broad-based and committed. The date of his departure imposed enormous pressures on the organization to make progress and show results in a totally unrealistic time-frame. The organization had been through many adjustment scenarios and budget cuts in the preceding years and in the opinion of many, staff had become impervious to the arguments for change. The sense of urgency that would normally fuel a change strategy was not widely appreciated. The centrifugal tendencies or diverse power centres in headquarters became points of resistance, hence the commitment of corporate leadership necessary to bring about sustainable organizational change was a missing element. Negotiations on change were often defensive and parochial, protecting unit positions while trying to stave off budget cuts. The culture of autonomy prevailed. Therein lies an organizational dilemma since the implementation of UNDP 2001 ultimately depends on the commitment of the line units. In that sense, it was premature to disband the Change Management Committee, which assembled cross-organizational representation to monitor, motivate and ensure sustainability. The idea of identifying and building a leading coalition for change across the organization still merits consideration.

59. Greater attention must therefore be paid to re-engineering that will adapt general principles to the circumstances. The entrepreneurial spirit needs to be unleashed to take advantage of the changing environment, the organization must become less risk-averse, seizing opportunities to experiment, demonstrating skills and competencies to provide options and development services to meet the unique needs of individual programme countries.

60. While there are inherent difficulties in any change process, there is no doubt that UNDP is now in a better position to appreciate the challenges of and opportunities for change. Furthermore, decisive, clear leadership by a committed team will exploit the positive aspects of change management and will allow the organization to overcome the multitude of challenges as it advances into the twenty-first century with a course set on finding its niche in the development world.

Notes

[1] The full text of the report is available on request, in the language of submission, from the Executive Board secretariat.